

A RESPONSIBLE COMPANY, A COMPANY OF THE FUTURE!



**INTERIM FINANCIAL STATEMENTS FOR SEMESTER I 2019
(UNAUDITED)**

Prepared in accordance with IFRS - UE



Summary

-
1. Interim Income statement as of 30.06.2019

 2. Interim Balance sheet as of 30.06.2019

 3. Main revenue drivers

 4. Main costs drivers

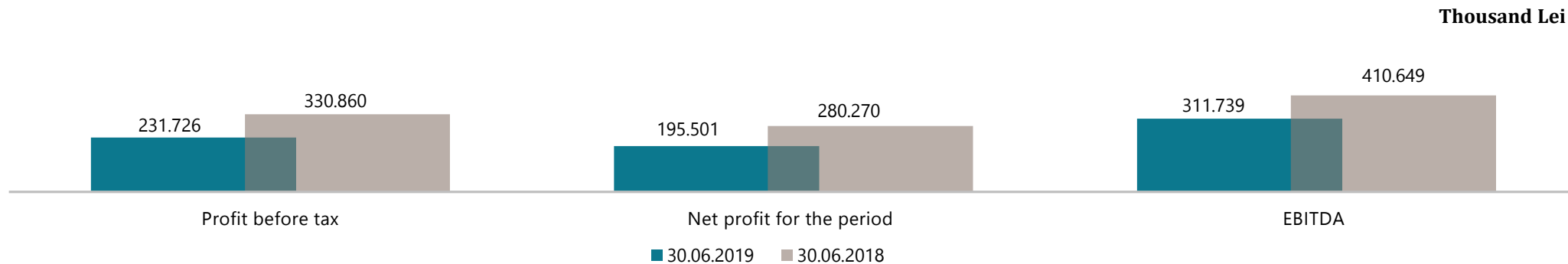
 5. Main business drivers

 6. Main indicators

1. Interim income statement as of 30.06.2019 (1)

MAIN INDICATORS

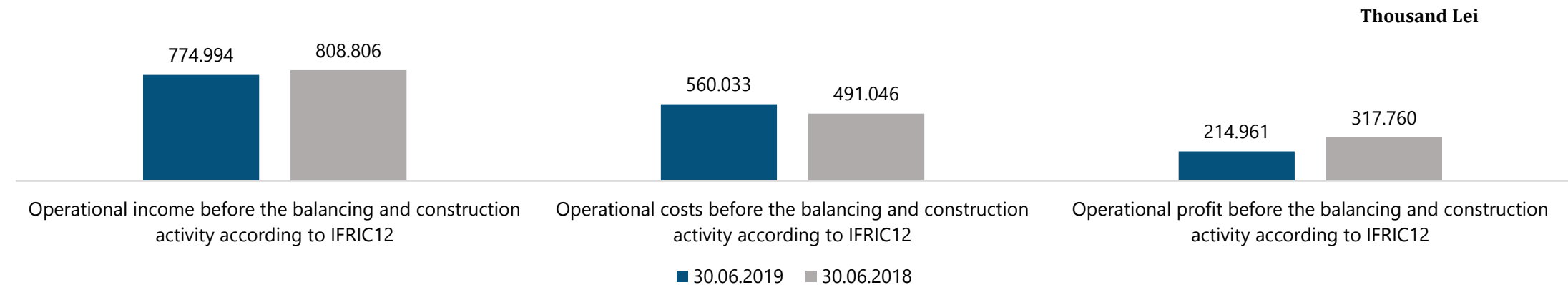
| THOUSAND LEI | 30.06.2019 | 30.06.2018 (retreated) | CHANGES 1H2019/1H2018 | |
|--|----------------|---------------------------|--------------------------|-------------|
| | | | Absolute | Relative |
| Operational income before the balancing and construction activity according to IFRIC12 | 774.994 | 808.806 | -33.812 | -4% |
| Revenue from the balancing activity | 183.208 | 90.483 | 92.725 | 102% |
| Income from the construction activity according to IFRIC12 | 297.898 | 34.919 | 262.979 | 753% |
| Financial income | 33.199 | 21.978 | 11.221 | 51% |
| Operational costs before the balancing and construction activity according to IFRIC12 | 560.033 | 491.046 | 68.987 | 14% |
| Expenses with balancing gas | 183.208 | 90.483 | 92.725 | 102% |
| Cost of assets constructed according to IFRIC12 | 297.898 | 34.919 | 262.979 | 753% |
| Financial expenses | 16.433 | 8.878 | 7.555 | 85% |
| Profit before tax | 231.726 | 330.860 | -99.134 | -30% |
| Profit tax expense | 36.225 | 50.590 | -14.365 | -28% |
| Net profit for the period | 195.501 | 280.270 | -84.769 | -30% |
| EBITDA | 311.739 | 410.649 | -98.910 | -24% |
| Turnover | 938.808 | 883.524 | 55.284 | 6% |



1. Interim income statement as of 30.06.2019 (2)

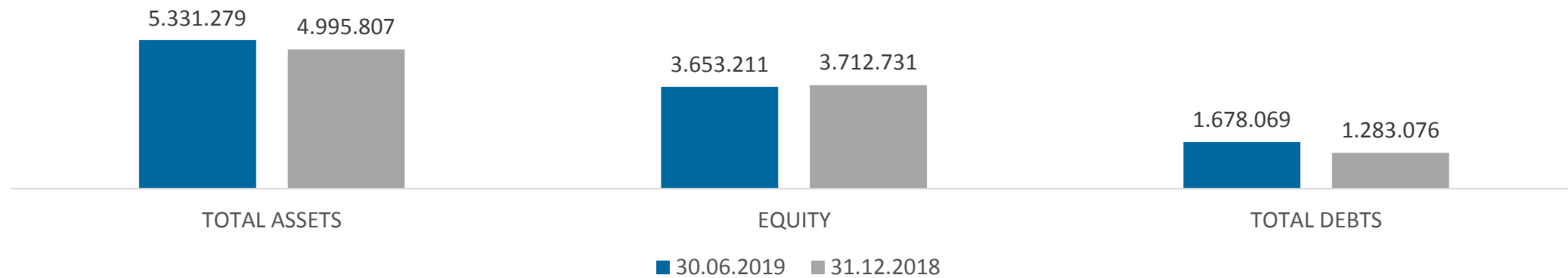
MAIN INDICATORS

| THOUSAND LEI | 30.06.2019 | 30.06.2018 (retreated) | CHANGES 1H2019/1H2018 | |
|---|----------------|---------------------------|--------------------------|-------------|
| | | | Absolute | Relative |
| Revenues from domestic gas transmission activity | 582.317 | 631.399 | -49.082 | -8% |
| Revenues from international gas transmission activity | 170.431 | 159.911 | 10.520 | 7% |
| Other revenues | 22.246 | 17.497 | 4.749 | 27% |
| Operational income before the balancing and construction activity according to IFRIC12 | 774.994 | 808.806 | -33.812 | -4% |
| Employees costs | 189.003 | 186.989 | 2.014 | 1% |
| Technological consumption, materials and consumables used | 58.981 | 53.456 | 5.525 | 10% |
| Expenses with royalties | 75.275 | 79.131 | -3.856 | -5% |
| Maintenance and transport | 10.777 | 14.336 | -3.559 | -25% |
| Taxes and other amounts owed to the State | 48.026 | 36.447 | 11.579 | 32% |
| Revenues/ Expenses with provision for risks and expenses | -7.996 | -7.762 | 234 | 3% |
| Other operating expenses | 89.188 | 35.560 | 53.628 | 151% |
| Depreciation | 96.778 | 92.888 | 3.890 | 4% |
| Operational costs before the balancing and construction activity according to IFRIC12 | 560.033 | 491.046 | 68.987 | 14% |
| Operational profit before the balancing and construction activity according to IFRIC12 | 214.961 | 317.760 | -102.799 | -32% |

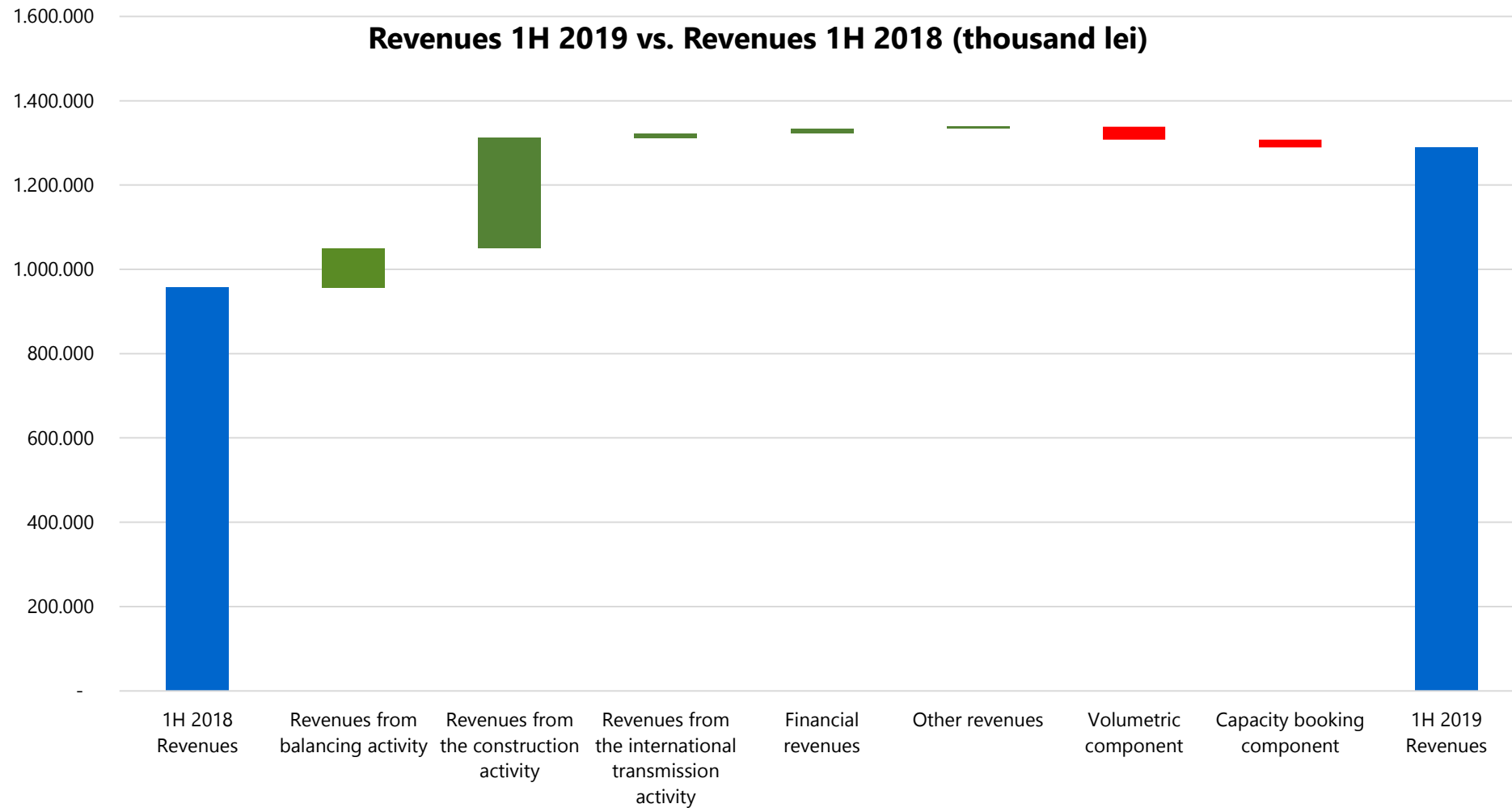


2. Interim Balance Sheet as of 30.06.2019

| THOUSAND LEI | 30 June 2019 | 31 December 2018 | CHANGES | |
|-------------------------------|------------------|------------------|----------------|------------|
| | | | Absolute | Relative |
| FIXED ASSETS | 3.790.101 | 3.490.424 | 299.677 | 9% |
| CURRENT ASSETS | 1.541.178 | 1.505.384 | 35.794 | 2% |
| TOTAL ASSETS | 5.331.279 | 4.995.807 | 335.472 | 7% |
| EQUITY | 3.653.211 | 3.712.731 | -59.520 | -2% |
| LONG TERM DEBTS | 1.001.114 | 864.288 | 136.826 | 16% |
| CURRENT DEBTS | 676.955 | 418.788 | 258.167 | 62% |
| TOTAL DEBTS | 1.678.069 | 1.283.076 | 394.993 | 31% |
| TOTAL EQUITY AND DEBTS | 5.331.279 | 4.995.807 | 335.472 | 7% |



3. Main revenue drivers (1)



3. Main revenue drivers (2)

1H2019 compared to 1H2018

Operating revenue before the balancing and construction activity, according to IFRIC12 decreased by 4% as compared to semester I 2018, which is lower by LEI 33.812 thousand.

The revenue was influenced mainly by the following factors:

- *revenue from capacity booking* lower by **LEI 18.539 thousand**, mainly because:
 - overruns of the capacity booked from the first semester of 2019 summing up lei 27.952 thousand compared to lei 56.011 thousand recorded in the same period of 2018.
- *commodity component revenue* lower by **LEI 30.543 thousand** due to:
 - commodity transmission tariff lower by Lei 0,48/MWh with a negative influence of LEI 35.175 thousand;
 - the gas transmitted capacities higher by 1.796.122 MWh (2,5%), with a positive influence of LEI 4.632 thousand, as compared to semester I 2018, detailed by categories of consumers as follows:

| | | 1Q 2019 | 2Q 2019 | 1H 2019 | 1Q 2018 | 2Q 2018 | 1H 2018 | Difference 1H 2019 / 1H2018 |
|--|-------------------------|------------|------------|------------|------------|------------|------------|--------------------------------|
| Quantity transmitted for direct consumers | MWh | 11.274.702 | 16.500.962 | 27.775.663 | 11.554.375 | 15.862.584 | 27.466.959 | 308.704 |
| | thousand m ³ | 1.058.115 | 1.549.300 | 2.607.415 | 1.080.725 | 1.489.417 | 2.570.141 | 37.274 |
| Quantity transmitted for distribution | MWh | 33.610.132 | 11.893.960 | 45.504.092 | 35.183.381 | 8.883.294 | 44.016.675 | 1.487.417 |
| | thousand m ³ | 3.135.219 | 1.103.301 | 4.238.520 | 3.270.281 | 818.044 | 4.088.325 | 150.195 |
| Total | MWh | 44.884.834 | 28.394.922 | 73.279.756 | 46.737.756 | 24.745.878 | 71.483.634 | 1.796.122 |
| | thousand m ³ | 4.193.334 | 2.652.601 | 6.845.935 | 4.351.006 | 2.307.461 | 6.658.467 | 187.468 |

- the tariffs for semester I 2019 as opposed to semester I 2018 decreased mainly due to:
 - a lower approved revenue in gas year October 2018 - September 2019 (Lei 882.983 thousand) as compared to the revenue approved in gas year October 2017 - September 2018 (Lei 954.322 thousand) mainly because of the differences for the adjustment of the revenue in gas year 2018-2019 (the efficiency gain redistribution component, the correction component of the total revenue, etc.).
 - the commodity tariff is lower according to Order 10/2017 of the ANRE President on the amending and supplementing of Order 32/2014 of ANRE President on the approval of the Gas Transmission Regulated Revenue, Total Revenue and Regulated Tariffs Methodology, which establishes the increasing by 5% per year of the percentage by which the approved revenue is recovered by the application of the capacity booking tariff, up to 85%, and the decreasing of the percentage by which the approved revenue is recovered by the application of the commodity tariff. In gas year 2017 - 2018 the variable component of the total revenue at the basis of the commodity tariffs is 35% of the total revenue and in gas year 2018-2019 it decreased to 30% of the total revenue.

3. Main revenue drivers (3)

1H2019 compared to 1H2018

- *international gas transmission revenue* higher by **LEI 10.520 thousand** due to appreciated currency gain regarding the contract currency;
- *other operating revenue* higher by **LEI 4.750 thousand**.

Revenue from the balancing activity increased by **LEI 92.725 thousand** based on the following factors:

- quantity higher by 794.519 MWh with a positive influence of LEI 76.314 thousand;
- trading price higher by LEI 9,45 /MWh, with a positive influence of LEI 16.411 thousand.

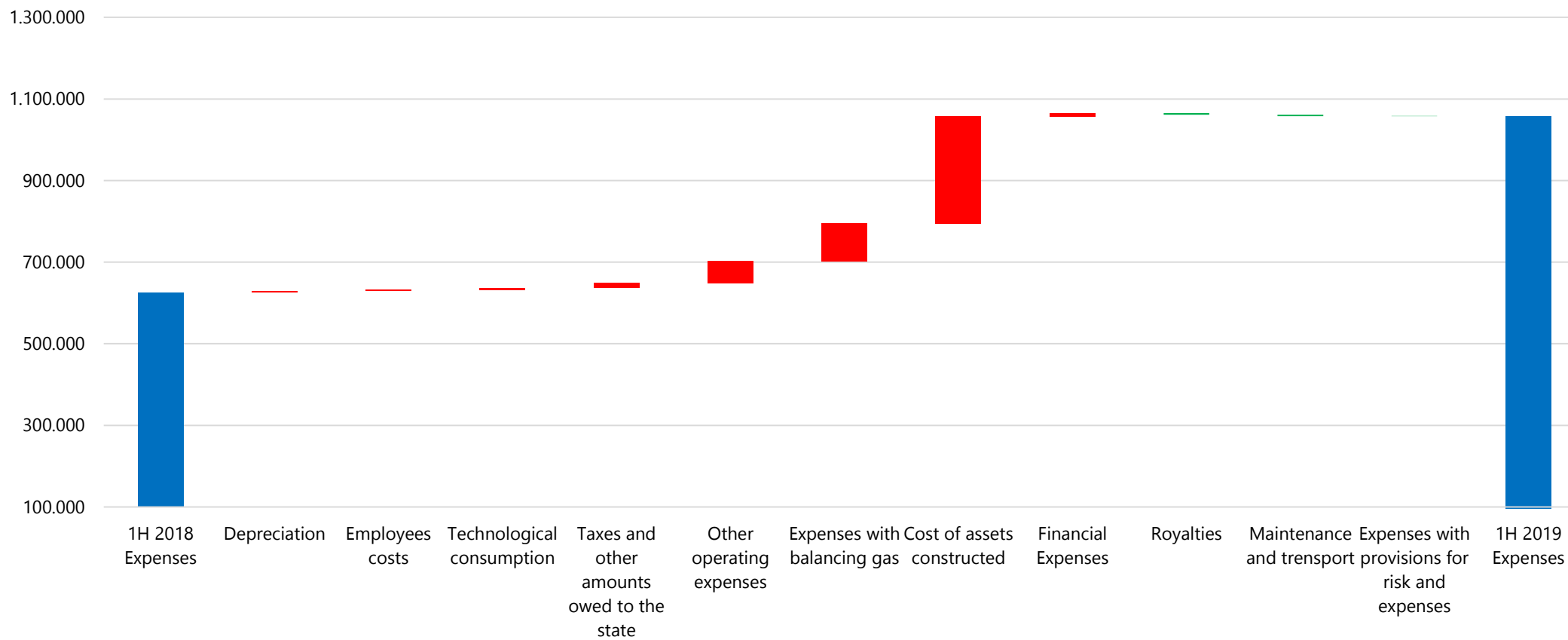
Revenue from the construction activity higher by **LEI 262.979 thousand**, registered in line with IFRIC 12, according to which revenue and costs related to the construction activity or the improvement of the transmission network, in exchange of which the intangible asset is registered, must be acknowledged in line with IFRS 15, "Revenue from contracts with clients".

Financial revenue have a positive influence of **Lei 11.221 thousand** due to revenues from exchange differences.

| | 1Q 2019 | 2Q 2019 | 1H 2019 | 1Q 2018 | 2Q 2018 | 1H 2018 |
|---|---------|---------|---------|---------|---------|---------|
| Revenues from the domestic transmission activity, due to: | 378.769 | 203.548 | 582.317 | 438.663 | 192.736 | 631.399 |
| - Volumetric component | 96.879 | 68.314 | 165.193 | 123.173 | 72.563 | 195.736 |
| - Capacity booking component | 281.890 | 135.234 | 417.124 | 315.490 | 120.173 | 435.663 |

4. Factori de influență a cheltuielilor(1)

Expenses 1H 2019 vs. 1H 2018 (thousand lei)



4. Main costs drivers(2)

1H2019 compared to 1H2018

Operating costs before the balancing and construction activity according to IFRIC12 increased by **14%** as compared to semester I 2018, which is higher by **LEI 68.987 thousand**.

The company made savings of LEI 8.166 thousand, mainly in relation to the following cost elements:

- **cost of royalty:** Lei 3.856 thousand;
- **cost of maintenance and transmission:** LEI 3.558 thousand;
- **technological consumption:** LEI 517 thousand;
- **costs for the risk and expense provision:** LEI 234 thousand.

| | | 1Q 2019 | 2Q 2019 | 30.06.2019 | 1Q 2018 | 2Q 2018 | 30.06.2018 | Differences 1H 2019 vs. 1H 2018 |
|---------------------------|-------------------------|---------|---------|------------|---------|---------|------------|------------------------------------|
| Technological consumption | MWh | 224.309 | 164.730 | 389.039 | 280.187 | 224.289 | 504.476 | -115.437 |
| quantities | thousand m ³ | 20.942 | 15.575 | 36.517 | 27.894 | 20.416 | 48.310 | -11.793 |

Overruns of lei 77.153 thousand were recorded especially at the following expense elements:

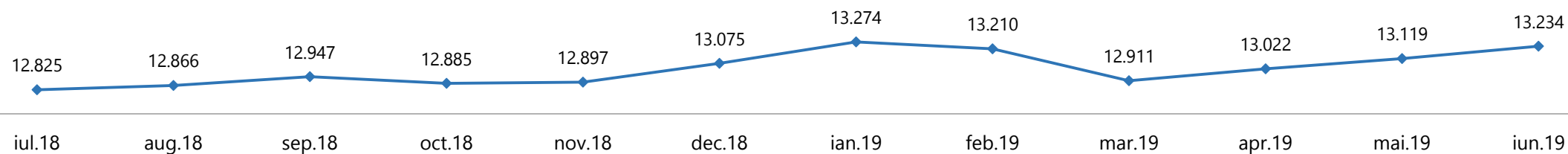
- **expenses with auxiliary materials and other material expenses:** lei 6.043 thousand;
- **personnel expenses:** lei 2.014 thousand;
- **amortization expenses:** lei 3.890 thousand;
- **expenses with tax and other sums owed to the state:** lei 11.579 thousand, mainly on account of the money contribution to ANRE in the amount of 2% of the turnover instituted by GEO no.114 of 2018;
- **other operating costs:** LEI 53.628 thousand, mainly due to establishment of adjustments for depreciation of current assets registering an increase by lei 48.735 thousand.

The financial cost is higher by **LEI 7.555 thousand** based on expenses from exchange rate differences.

As compared to semester I 2018 the interim gross profit obtained in semester I 2019 decreased by 30%, which is lower by LEI 99.134 thousand.

5. Main business drivers

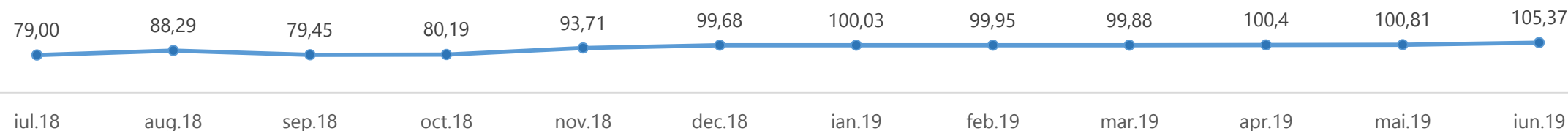
Natural gas volumes circulated (including storage quantities) - mil.cm - rolling 12 months



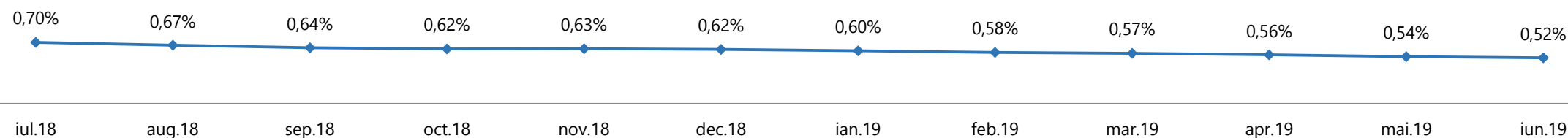
| Circulated gas, out of which: | | 1Q 2019 | 2Q 2019 | 1H 2019 | 1Q 2018 | 2Q 2018 | 1H 2018 |
|-------------------------------------|-------------------------|------------|------------|------------|------------|------------|------------|
| | MWh | 45.054.044 | 28.562.915 | 73.616.959 | 46.975.237 | 25.167.343 | 72.142.580 |
| thousand m ³ | 4.211.546 | 2.668.781 | 6.880.327 | 4.374.858 | 2.346.385 | 6.721.243 | |
| - storage | MWh | 398.246 | 11.330.119 | 11.770.157 | 263.565 | 8.431.857 | 8.695.422 |
| | thousand m ³ | 37.854 | 1.068.904 | 1.106.758 | 24.652 | 786.541 | 811.193 |
| Circulated gas storage share | | 0,88% | 39,67% | 15,99% | 0,56% | 33,50% | 12,05% |

5. Main business drivers

Natural gas acquisition price for technological consumption (RON/MWH)



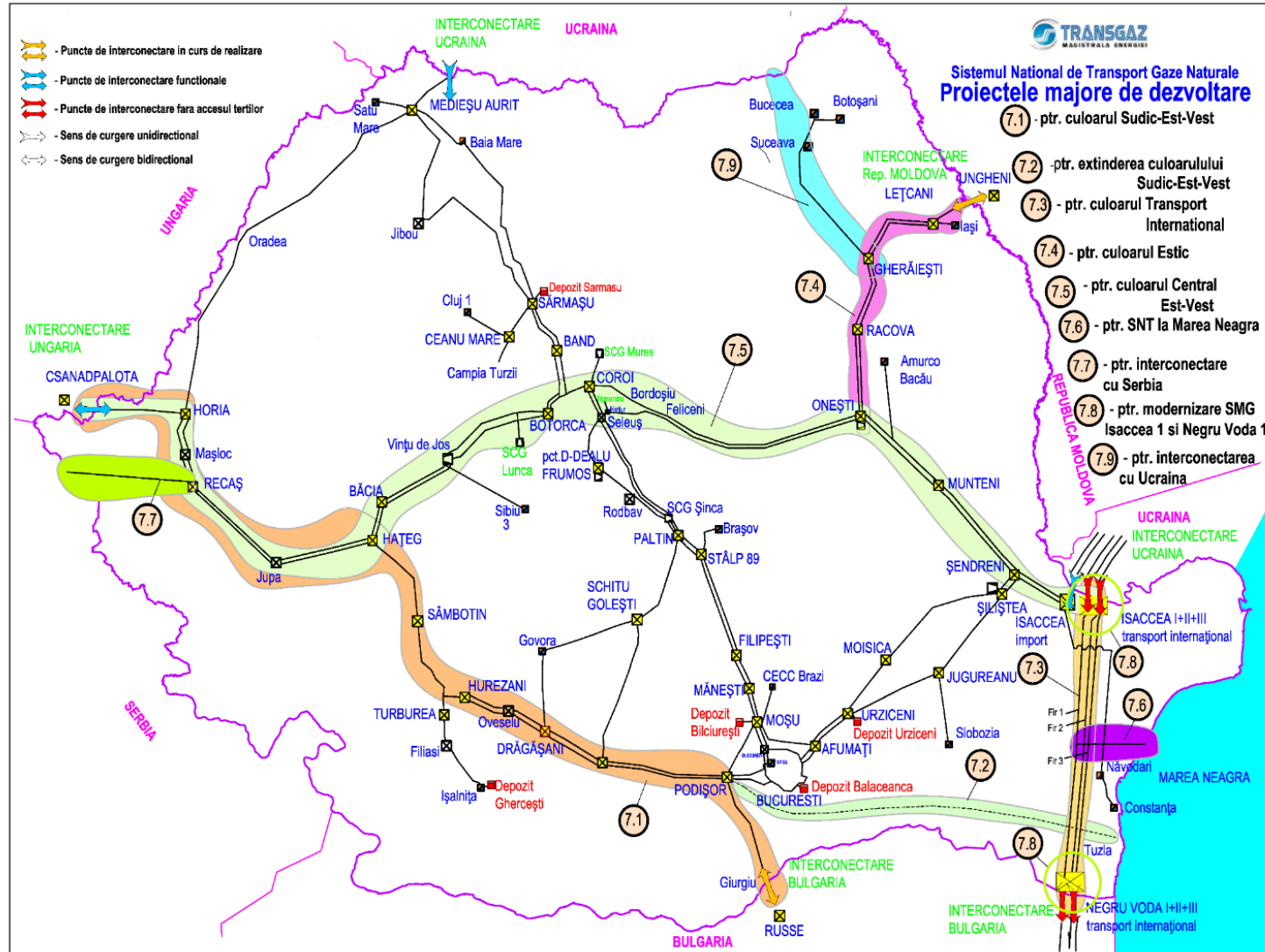
% Technological consumption in total circulated gas volumes (rolling 12 months)



| | | 1Q 2019 | 2Q 2019 | 1H 2019 | 1Q 2018 | 2Q 2018 | 1H 2018 |
|---|--------------|---------|---------|---------|---------|---------|---------|
| Technological consumption, materials and consumables used, of which: | thousand Lei | 30.306 | 28.675 | 58.981 | 28.620 | 24.836 | 53.456 |
| ▪ transmission system technological consumption and loss | thousand Lei | 22.422 | 16.806 | 39.228 | 22.214 | 17.531 | 39.745 |
| ▪ - technological consumption quantity | MWh | 224.309 | 164.730 | 389.039 | 280.187 | 224.289 | 504.476 |
| ▪ auxiliary materials | thousand Lei | 6.703 | 10.902 | 17.605 | 5.475 | 6.524 | 11.999 |
| ▪ other material costs | thousand Lei | 1.181 | 967 | 2.148 | 931 | 780 | 1.711 |

THE TRANSGAZ INVESTMENT PLAN 2018-2027

1.9 BILLION EURO

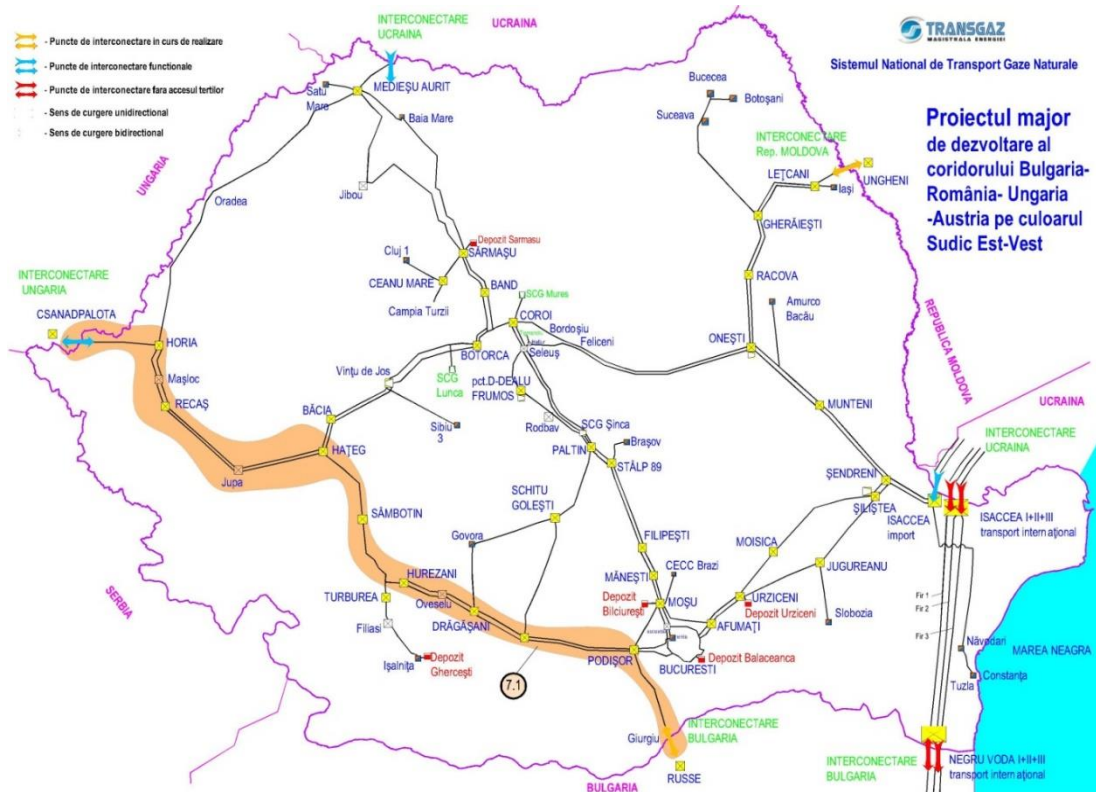


MAJOR DEVELOPMENT PROJECTS 2018-2027



| No. | Project | Estimated value mil Euro | Updated deadline | Importance of the project | Project statue |
|---|---|--|---------------------------------|---|----------------|
| 7.1.1 | Development on Romania's territory of the National Gas Transmission System on the Bulgaria - Romania - Hungary – Austria Corridor (Phase 1) | 478,6 | 2020 | Ensuring a natural gas transmission capacity to Hungary of 1.75 bcm/y and 1.5 bcm/y to Bulgaria. The project importance at European Union level is reflected by the nomination of the "Gas pipeline from Bulgaria to Austria via Romania and Hungary" project both on the first and on the second and third list of common interest projects. | FID |
| 7.1.2 | Development on Romania's territory of the National Gas Transmission System on the Bulgaria - Romania - Hungary – Austria Corridor (Phase 2) | 68,8 | 2022 | Ensuring a natural gas transmission capacity to Hungary of 4.4 bcm/y and 1.5 bcm/y to Bulgaria. The project importance at European Union level is reflected by the nomination of the "Gas pipeline from Bulgaria to Austria via Romania and Hungary" project both on the first and on the second and the third list of common interest projects. | A non FID |
| 7.2 | Development on Romania's territory of the Southern Transmission Corridor for taking over the natural gas from the Black Sea coast | 360,36 | 2021 | Taking-over the natural gas to be produced in the Black Sea (NTS) for its transmission to the Romanian and European markets is of strategic importance to Transgaz. The project importance at European Union level is reflected by nominating the Project on the 2nd and 3rd list of common interest projects. | A non FID |
| 7.3 | Interconnection of the national gas transmission system with the international natural gas pipeline T1 and Isaccea reverse flow. | 77,7 Phase I: 8,8 Phase II: 68,9 | Phase I: 2018 Phase II: 2020 | Transgaz has a great interest in implementing this project for the following grounds: <ul style="list-style-type: none"> in order to eliminate the possibility of imposing extremely costly financial penalties by the European Commission; to secure the most substantial revenue by capacities capitalizing after take-or-pay contracts expire. We mention that this project is part of the first, second and third list of common interest projects at EU level and will be carried out in two phases. | FID |
| 7.4 | Developments of the NTS in the North - East area of Romania in order to improve the natural gas supply of the area and to ensure the transmission capacities to the Republic of Moldova | 174,25 | 2021 | Ensuring a gas transmission capacity of 1.5 bcm/y at the interconnection point between the Romanian and Moldova Republic gas transmission systems. | A non FID |
| 7.5 | Amplification of the bidirectional gas transmission corridor Bulgaria - Romania - Hungary - Austria (BRUA Phase 3) * | 530 | 2025 | Depending on the Black Sea offshore production increase further development of the network is considered, such as: an additional route through the center of Romania and a new interconnection with Hungary. | LA non FID |
| 7.6 | NTS new developments to take-over the gas from the Black Sea coast. | 9,14 | 2021 | Creating an additional point for taking over the natural gas from the Black Sea offshore exploitation perimeters. | A non FID |
| 7.7 | Romania – Serbia interconnection | 53,76 | 2020 | Establish an interconnection pipeline with Serbia to diversify sources of supply and increase energy security in the region. | A non FID |
| 7.8 | Modernization of Isaccea 1 and Negru Vodă 1GMS | 26,65 | 2021 | Establish an interconnection pipeline with Serbia to diversify sources of supply and increase energy security in the region. Modernization of gas stations at interconnection points to increase energy security in the region. | FID |
| 7.9 | Interconnection of the national gas transmission system with the natural gas transmission system of Ukraine, in the Gherăești – Siret direction. | 125 | 2025 | Establishing an interconnection with Ukraine in the Gherăești -Siret direction, in addition to the NTS development project in the North-East of Romania, in order to improve the natural gas supply in the area. | LA non FID |
| TOTAL (2018-2027), of which: | | ~EURO 1,9 billion | | | |
| TOTAL PROJECTS FID AND A non FID | | ~ EUR 1,25 billion | | | |

Project of Common Interest 7.1.5 according to the first PCI list, 6.24.2 according to the second PCI 2015 list, and 6.24.1-2 according to the third PCI 2017 list



Aim:

- development of the gas transmission capacity between the Romanian and the Bulgarian and Hungarian gas transmission systems.

Capacity:

- 1.75 bcm/y to Hungary
- 1.5 bcm/y to Bulgaria

Necessary investments

- 32"x63 bar ~479 km pipeline
- 3 compressor stations

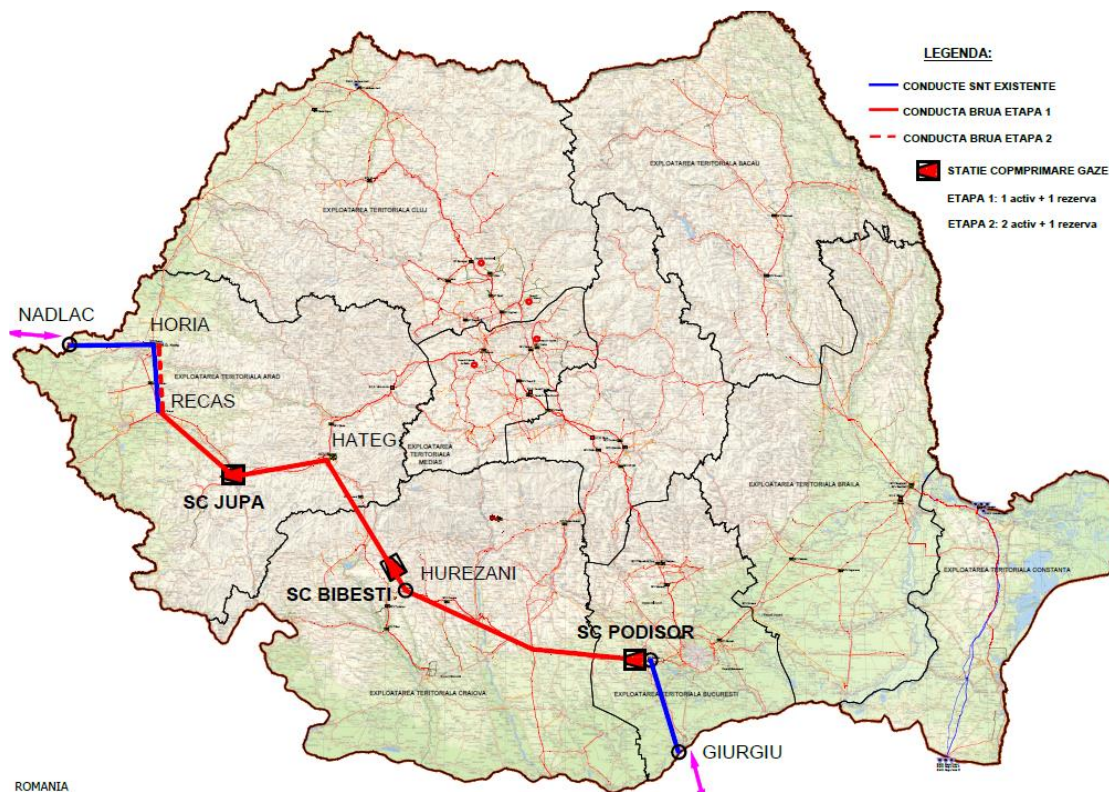
Total estimated costs

- 478.6 mil. Euro

EU grant: 179 mil. Euro

Connecting Romania to neighbouring transit

Project of Common Interest 7.1.5 according to the first PCI list, 6.24.7 according to the second PCI 2015 list and 6.24.4-position 4 according to the third PCI 2017 list



Estimated commissioning - 2022

Aim :

- The project aims to increase gas flow to Hungary through the Horia – Csanadpalota interconnector

Capacity increase:

- From 1.75 bcm/y to 4.4 bcm/y to Hungary

Necessary investments

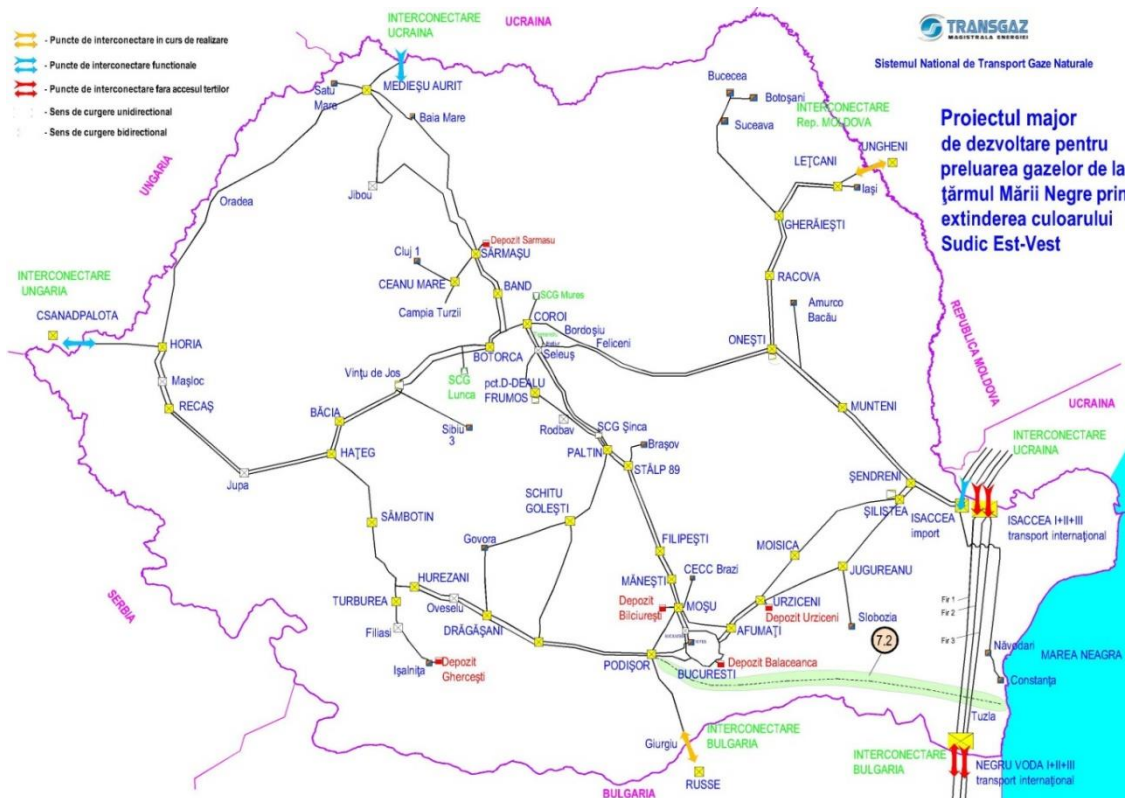
- 32"x63 bar ~50 km pipeline
- increasing the capacity of the three existing compressor stations (Jupa, Bibești, Podișor)
- extension of Horia GMS

Total estimated costs

- **68.8 mil. Euro**

Connecting Romania to neighbouring transit

Project of Common Interest 6.24.8 according to the second PCI 2015 list and 6.24.4-position 5 according to the third PCI 2017 list



Aim :

- create a transmission infrastructure for taking over Black Sea gas

Necessary investments:

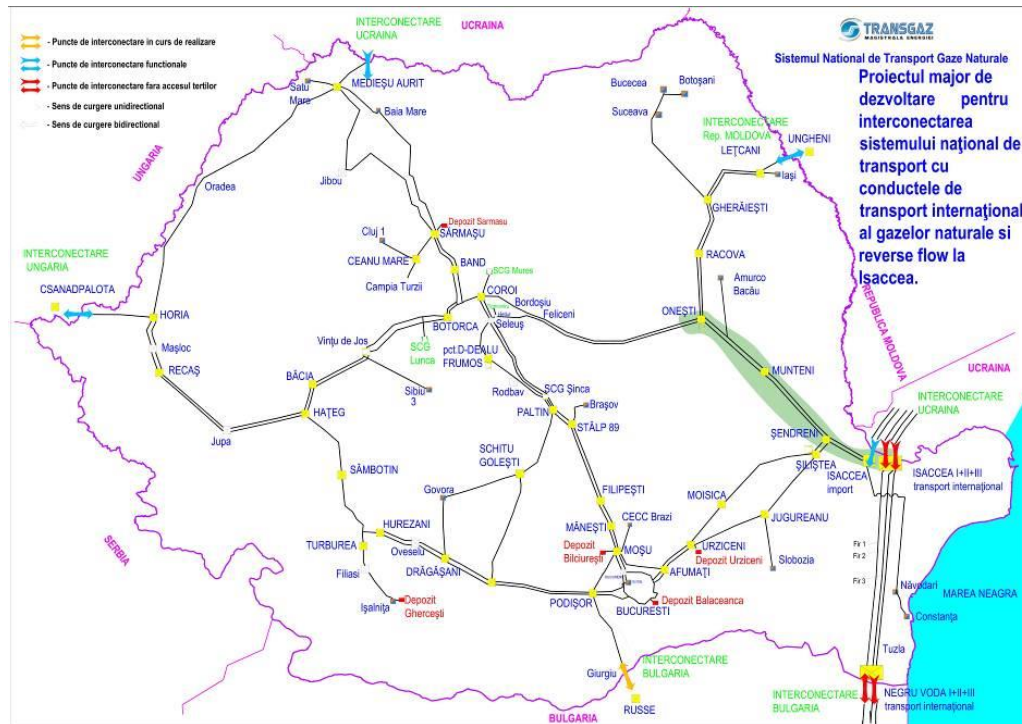
- the Black Sea shore–Amzacea pipeline, 32.5 km, Ø 48" (Dn1200)
- the Amzacea–Podișor pipeline, 275.9 km, Ø 40" (Dn1000)

Total estimated costs

- 360.4 mil. Euro

Estimated commissioning 2021

Project of Common Interest 6.15 according to the second PCI 2015 list and 6.24.10- position 1 according to the third PCI 2017 list



Aim :

- create a transmission corridor between Bulgaria, Romania and Ukraine
- ensure physical reverse flow at the Negru Vodă 1 point, according to EU Regulation 994/2010

Necessary investments:

Stage 1

- rehabilitation of Dn800 Onești-Cosmești pipeline
- Isaccea interconnection

Stage 2

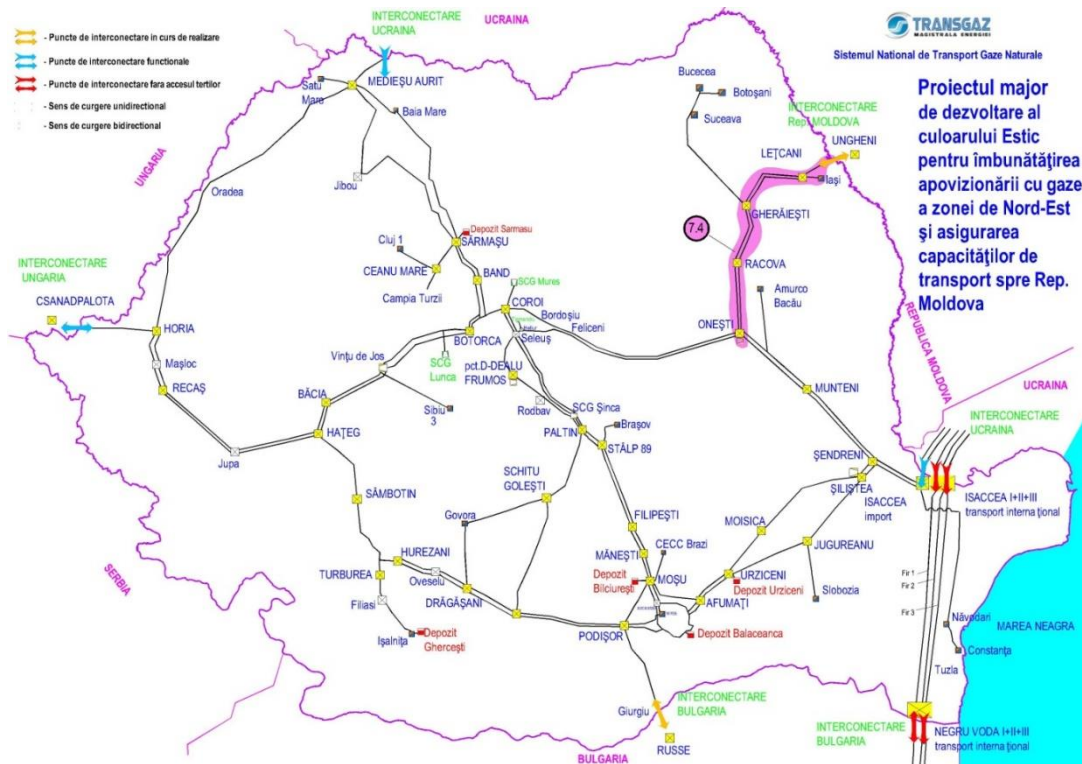
- upgrading of Siliștea CS, Siliștea TN
- upgrading of Onești CS, Onești TN

Total estimated costs

- **77.7 mil. Euro**

Final Investment Decision – 2018

Commissioning -2018 – Stage I
 Commissioning -2020 – Stage II



Estimated commissioning - 2021

Aim :

- enhancing gas supply to North – East Romania;
- ensuring 1.5 bcm/y transmission capacity at the interconnection point between the transmission systems of Romania and Moldova.

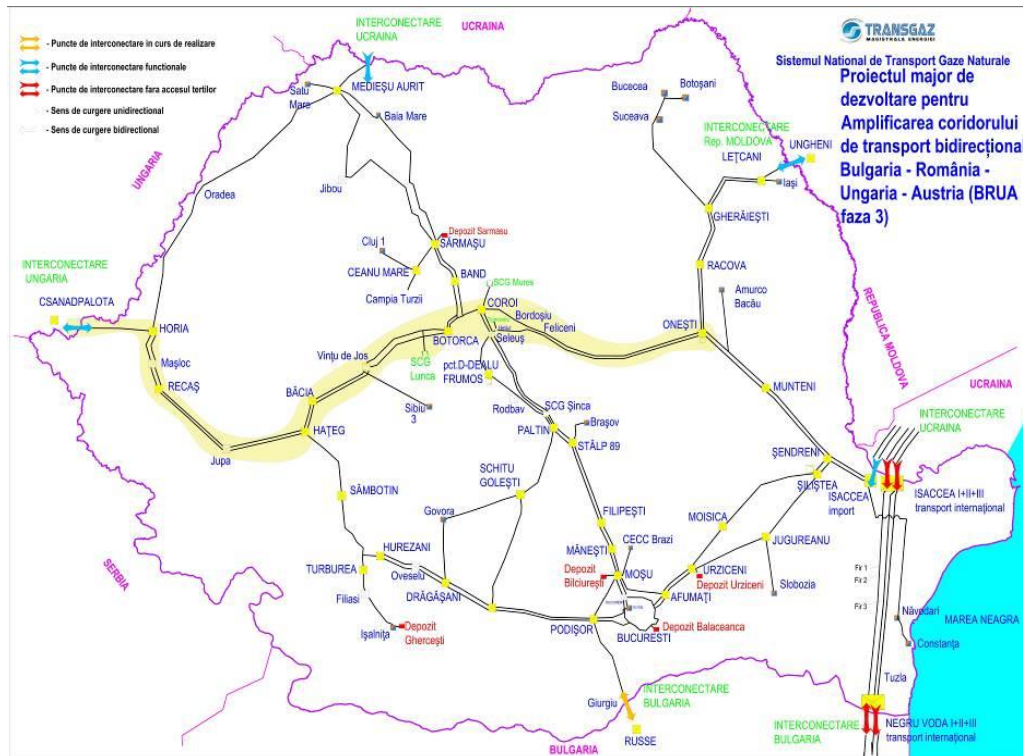
Necessary investments

- construction of a Dn 700 104.1 km pipeline, in the Gherăiești-Lețcani direction;
- construction of a Dn 700 61.05 km pipeline, in the Gherăiești-Lețcani direction;
- construction of a compressor station at Gherăiești of 9.14 MW

Total estimated costs

- 174.25 mil. Euro

Project of Common Interest 6.25.3 according to the second PCI 2015 list and 6.24.10-position 2 according to the third PCI 2017 list



Estimated completion - 2025

Aim :

- development of gas transmission capacity on the Onești–Coroi–Hațeg–Nădlac corridor depending on the Black Sea or other onshore blocks gas volumes.

Necessary investments

- rehabilitation of some pipeline sections;
- replacement of existing pipelines with new larger diameter and operating pressure pipelines;
- two or three new gas compressor stations.

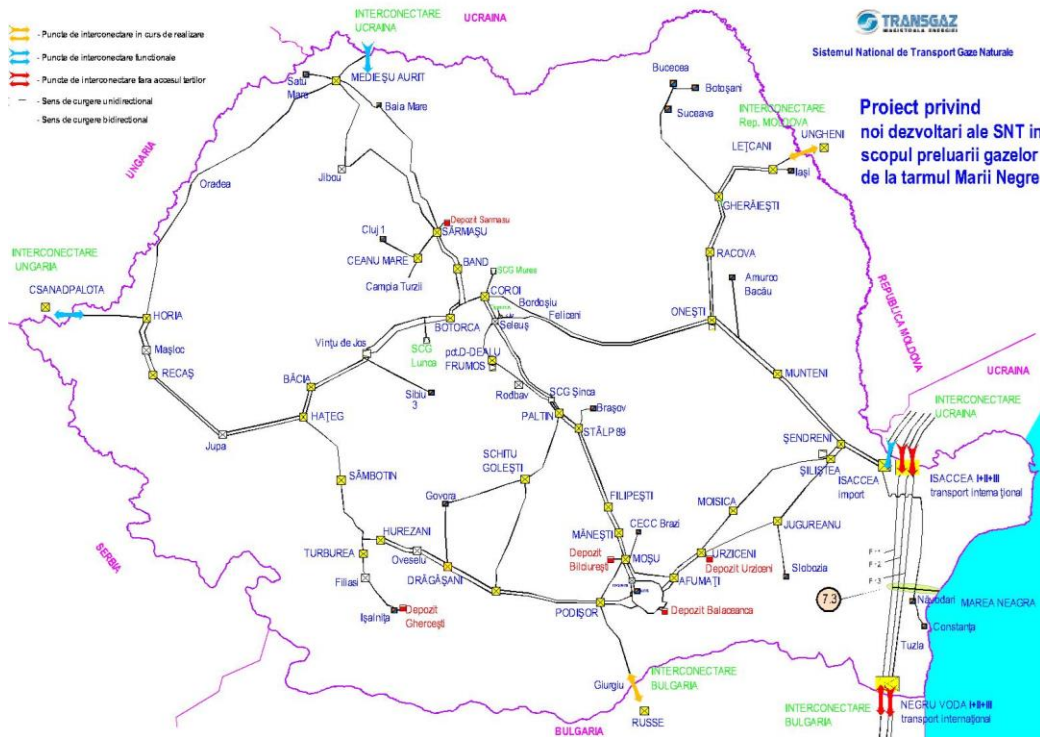
Capacity increase:

- by 4.4 bcm/y to Hungary

Total estimated costs

- 530 mil. Euro

Project of Common Interest 6.24.10- position 3 according to the third PCI 2017 list



Estimated commissioning 2021

Aim :

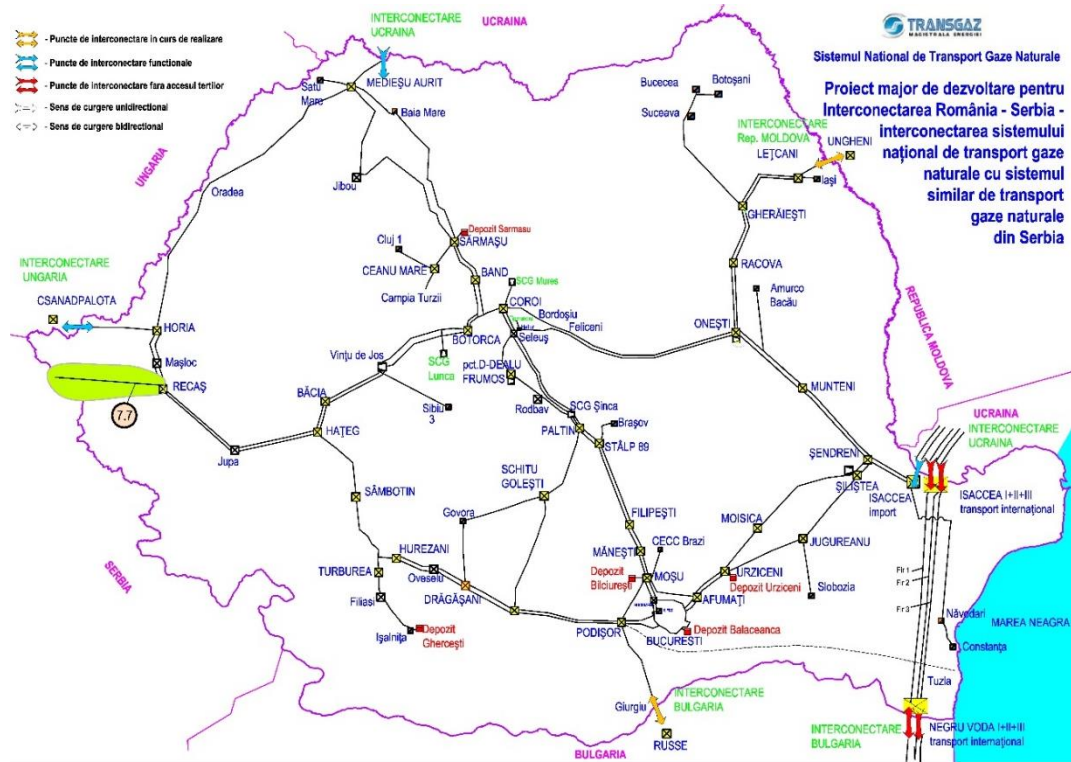
- creating an additional taking over point for the natural gas coming from the Black Sea blocks

Necessary investments

- construction of a 24.37 km DN 500 gas transmission pipeline from the Black Sea shore to the existing T1 international transmission pipeline.

Total estimated costs

- **9.14 mil. Euro**



Estimated commissioning -2020

Aim :

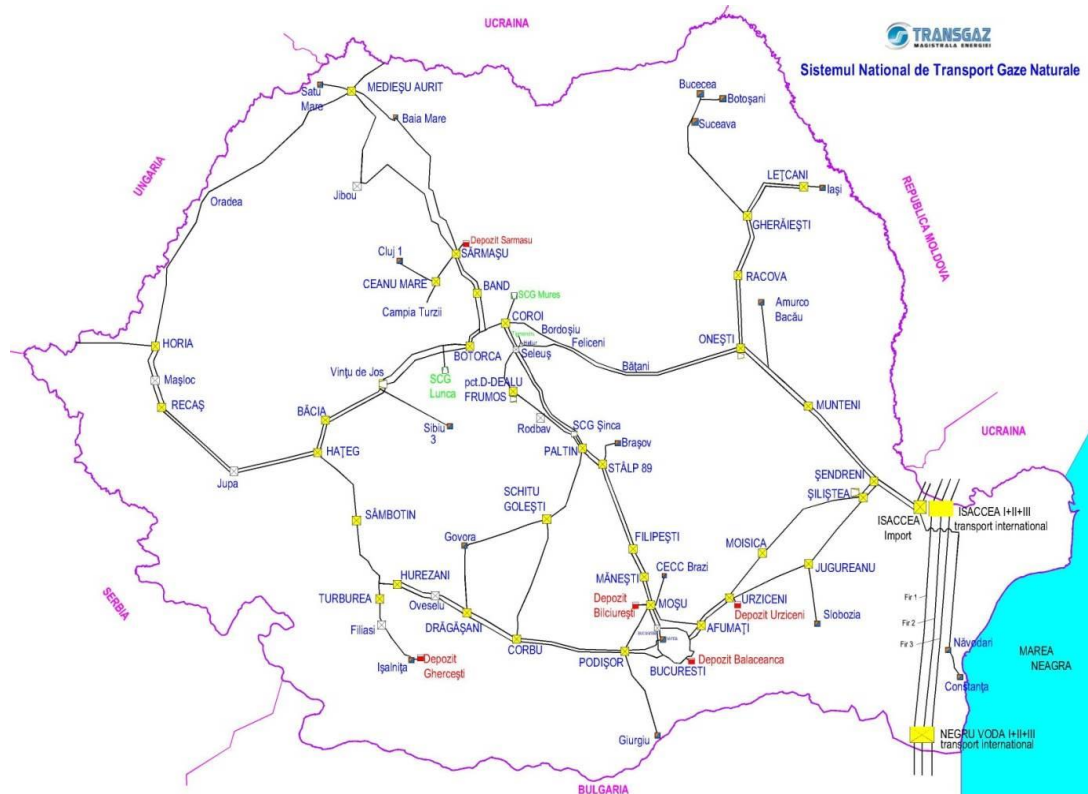
- enhancing security of energy supply to the region

Necessary investments

- construction of a DN 600 85.56 km gas transmission pipeline to be connected to the BRUA pipeline

Total estimated costs

- 53.76 mil. Euro



Aim :

- increasing the level of energy security in the region

Necessary investments

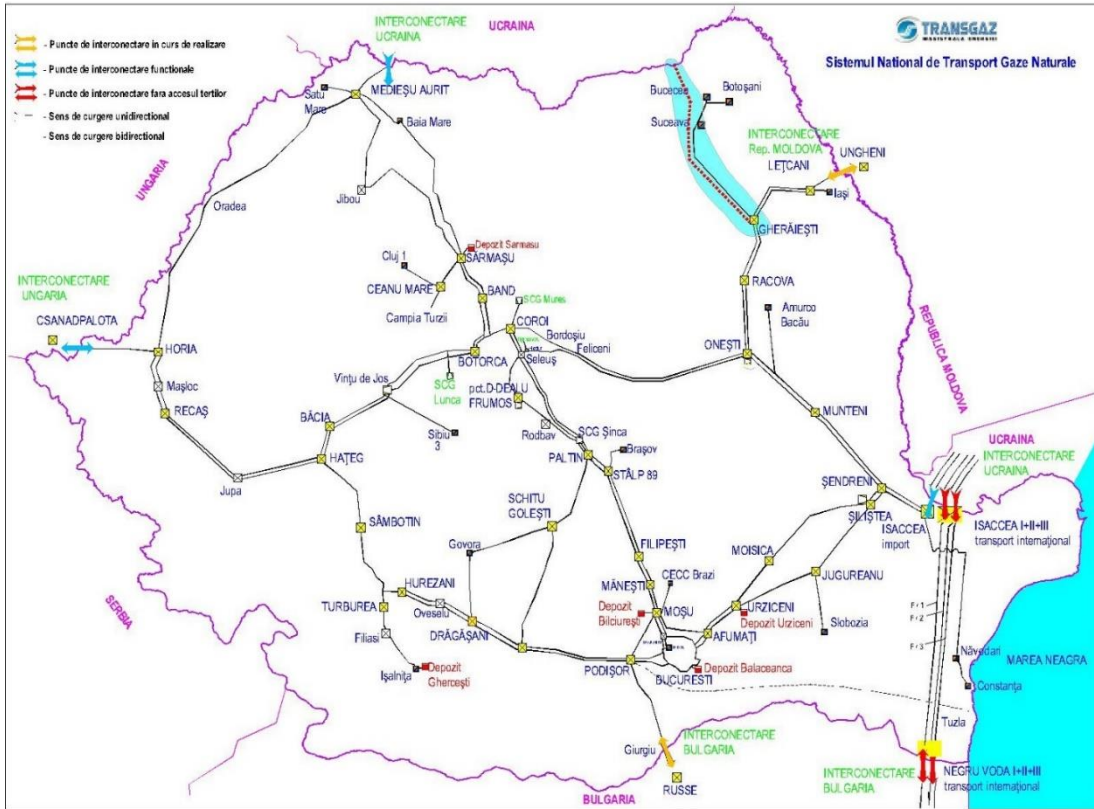
- construction of two new gas metering stations, replacing the existing ones. For the Isaccea 1 GMS the station will be constructed within the existing station, and for the Negru Vodă 1 GMS, near the existing station.

Total estimated costs ~ 26.65 mil.Euro

- 7.1 mil Euro- upgrading Isaccea 1 GMS
- 6.8 mil Euro– upgrading Negru Vodă1 GMS

Final Investment Decision – 2018

Estimated commissioning – SMG Isaccea 1- 2019
 Estimated commissioning– SMG Negru Vodă 1- 2021



Estimated commissioning - 2025

Aim:

- Increasing energy security to the region

Necessary investments

- construction of a gas transmission pipeline and related facilities in the Gherăești–Siret direction;
- construction of a cross-border gas metering station;
- extension of the Onești and Gherăești compressor stations, if necessary.

Total estimated costs

- **125 mil Euro**

New projects proposed in the 2019-2028 TYNDP under approval by ANRE

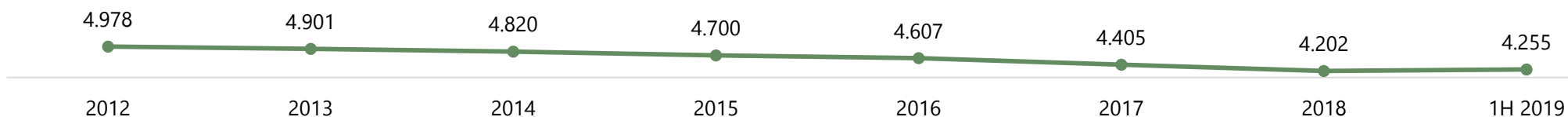
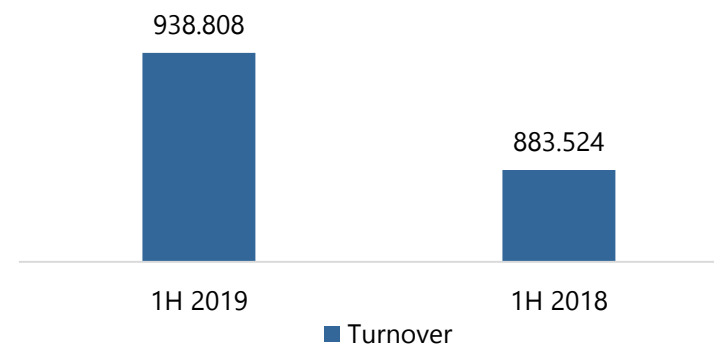


| No. | Project | Estimated value mil Euro | Updated completion deadline | Importance of the project | Project status |
|--------------|---|--|--|---|----------------|
| 7.10 | Development-modernization of gas transmission infrastructure in the North-West Romania | 405 | Phase1 2022 Phase1 2 2025 Phase1 pa 3 2026 | Increasing gas transmission capacities North-West Romania for supporting gas supply trends in the region | LA non FID |
| 7.11 | Increasing gas transmission capacity on the Romania-Bulgaria interconnection in the Giurgiu-Ruse direction | 51.8 | 2027 | Improving gas supply to the region | LA non FID |
| 7.12 | Eastring–Romania | Phase1 1: 1,297 Romania Phase1 2: 357 Romania | Phase1 1: 2025 Phase1 2: 2030 | EASTRING will be open for well established sources as well as for alternative sources. It will bring gas from new resources in the Caspian/East Mediterranean/Black Sea/Middle East regions. At the same time, it will ensure supply of gas from the European hubs to South-East Europe. The total capacity will be available to any transmission operator or supplier. | LA non FID |
| 7.13 | Supervisory, control and data acquisition system for the cathodic protection stations of the National Gas Transmission System | 8 | 2023 | Offers the possibility to remote set, supervise and clearly and accurately operate the points of interest of the system, eliminates data reading costs, avoids the situations in which the weather conditions prevent data reading, eliminates the possibility of occurring human errors, allows distributed control of locations, reduces cost of operation and maintenance, and reduces significantly the configuration time. | LA non FID |
| 7.14 | Development of SCADA system for the National Gas Transmission System | 5.5 | 2023 | Modernization of gas transmission infrastructure by the modernization of the hardware and software architecture. | LA non FID |
| TOTAL | | ~ 2.1 billion Euro | | | |

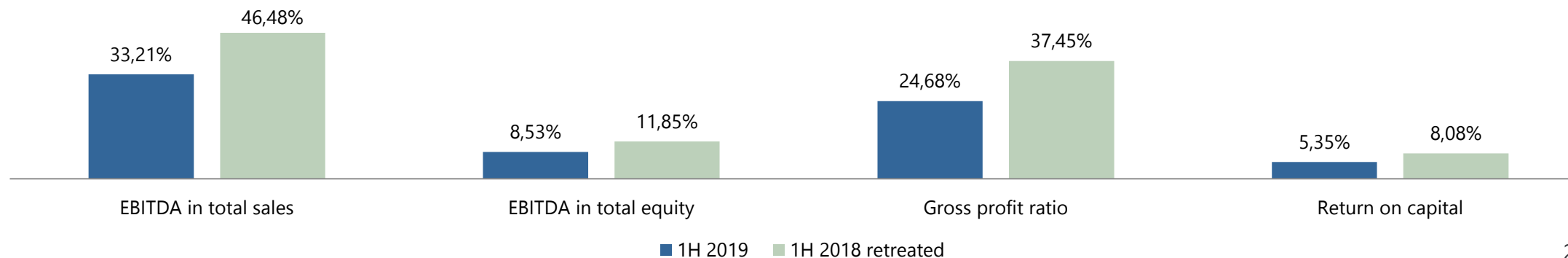
6. Main indicators

1H 2019 compared to 1H 2018

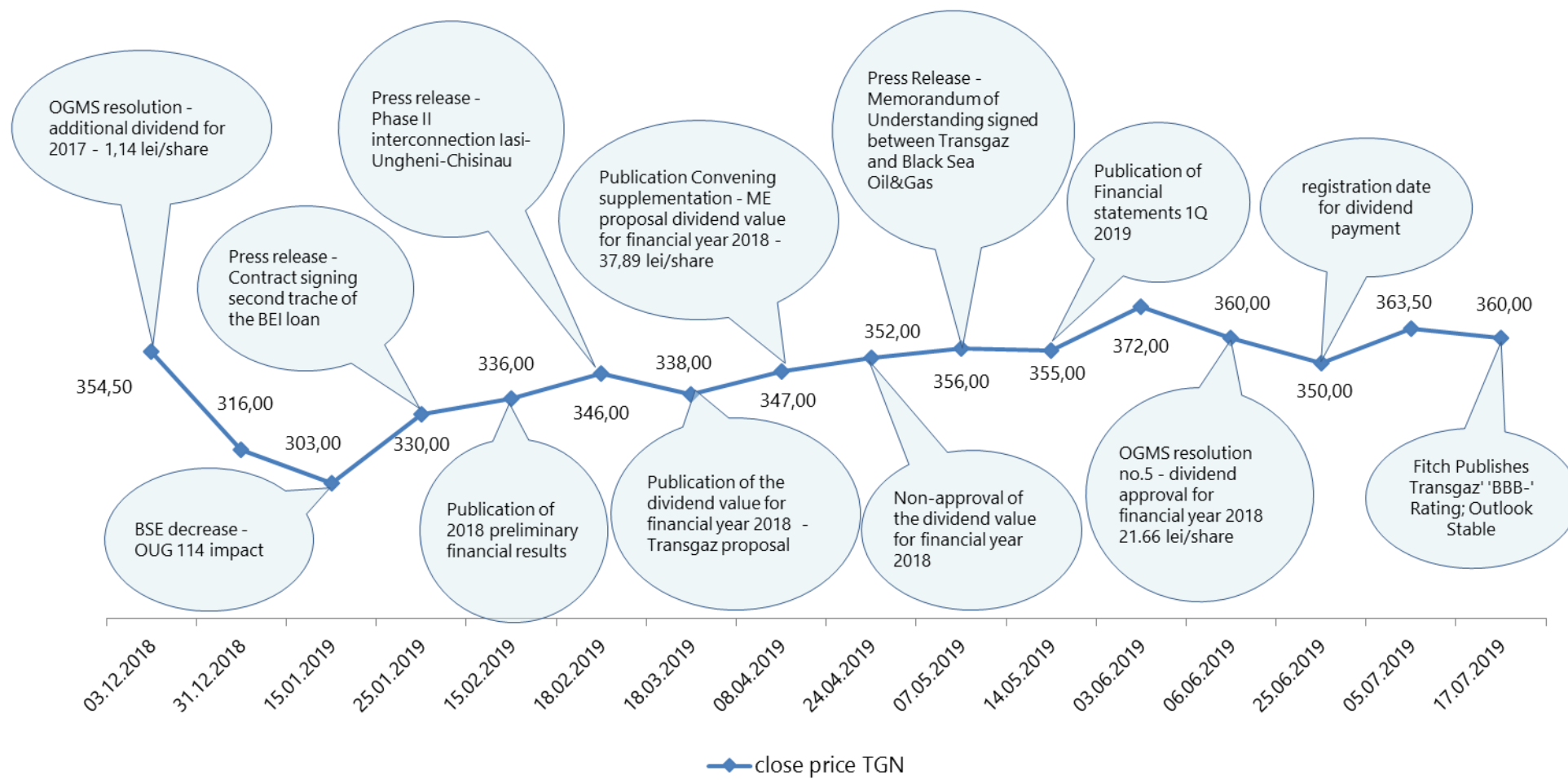
| | 1H 2019 | 1 H 208 retreated |
|--|---------|----------------------|
| EBITDA in total sales | 33,21% | 46,48% |
| EBITDA in total equity | 8,53% | 11,85% |
| Gross profit ratio | 24,68% | 37,45% |
| Return on capital | 5,35% | 8,08% |
| Current liquidity ratio | 2,28 | 2,52 |
| Quick liquidity ratio | 1,71 | 2,40 |
| Gearing | 6,48% | 6,72% |
| Interest coverage ratio | 136,16 | 327,64 |
| Turnover speed for clients debit - days | 124,04 | 122,05 |
| Turnover speed for credit providers - days | 38,12 | 18,98 |



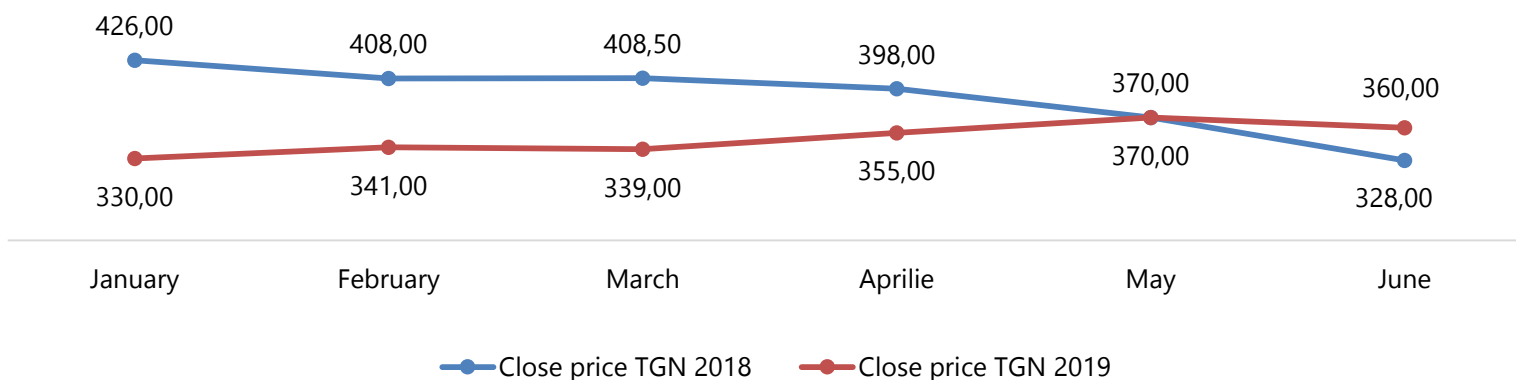
● Number of employees at the end of the period



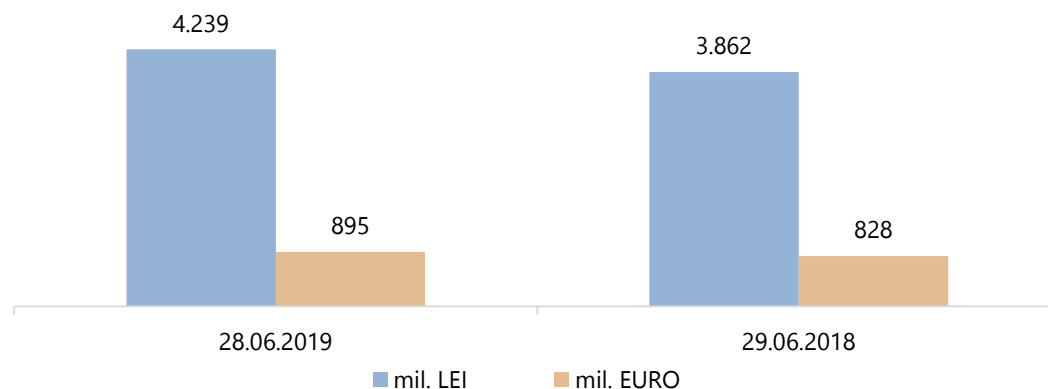
Stock Exchange TGN Evolution (1)



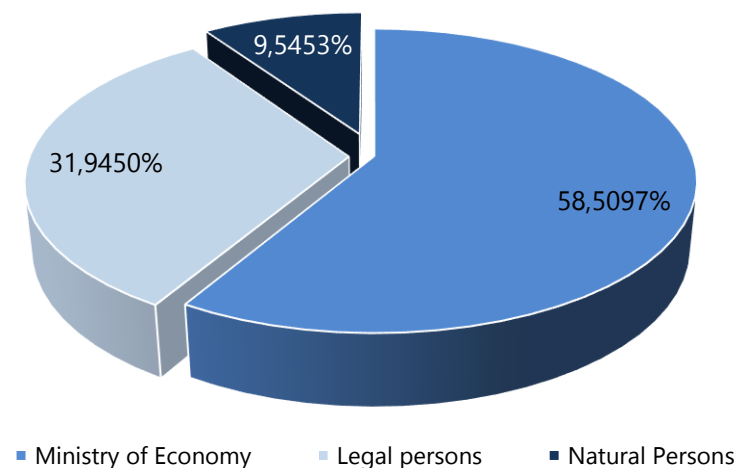
Stock Exchange TGN Evolution (2)



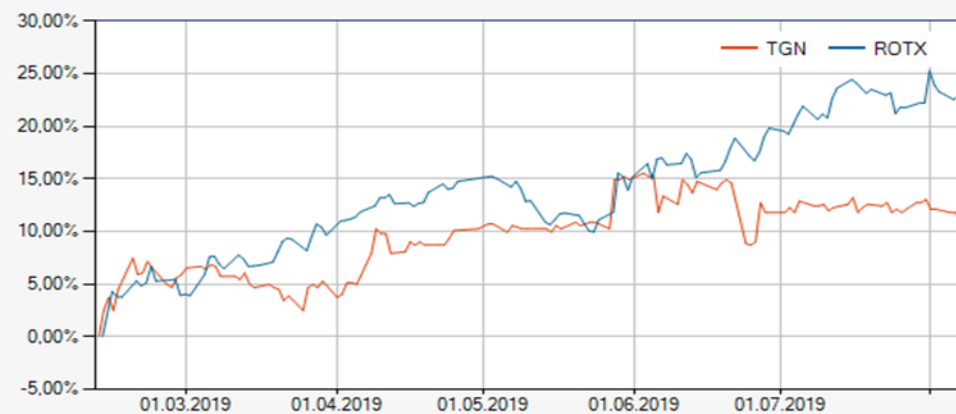
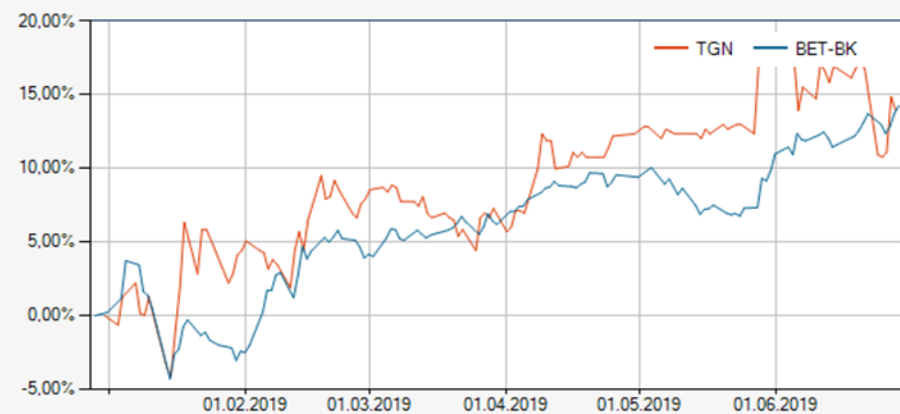
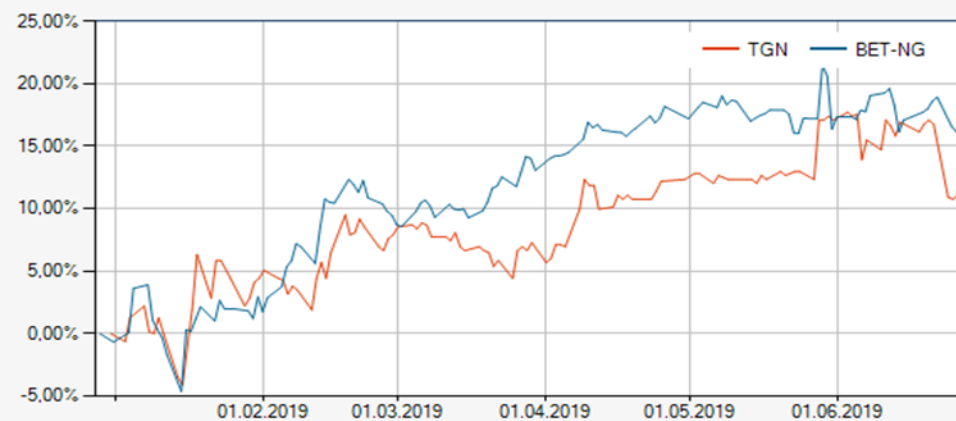
Market capitalization



Shareholders structure at June 25, 2019



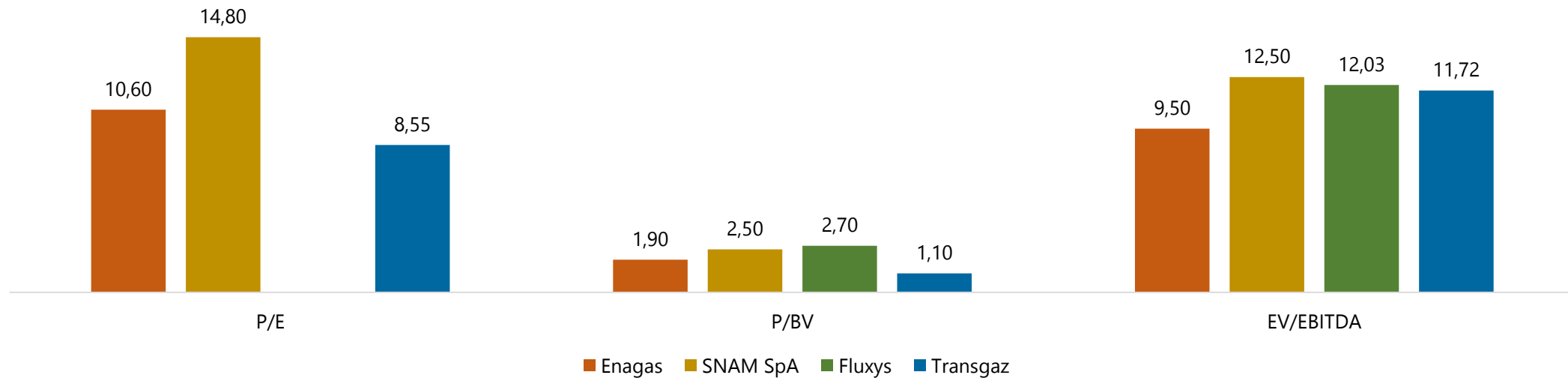
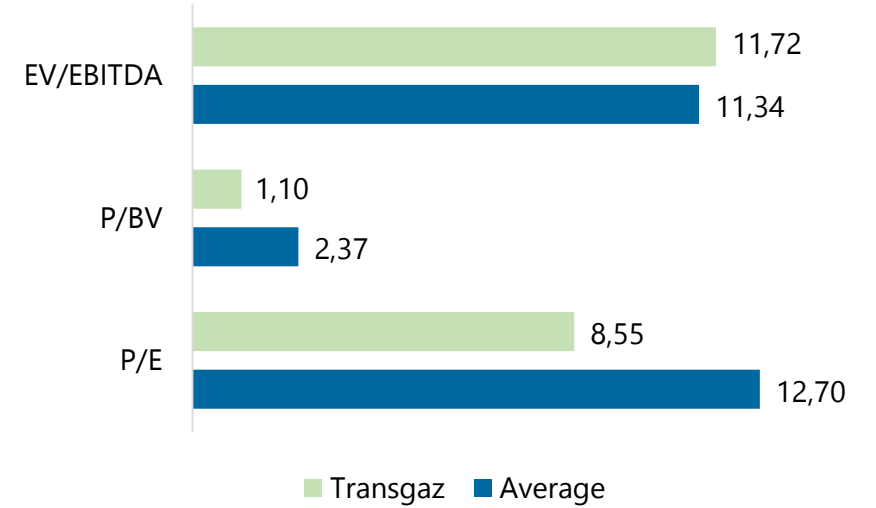
Stock Exchange TGN Evolution (3)



TRANSGAZ COMPARED TO PEERS

| Company | | P/E | P/BV | EV/EBITDA |
|------------------|----------------|-------------|-------------|--------------|
| Enagas | Spain | 10,6 | 1,9 | 9,5 |
| SNAM SpA | Italy | 14,8 | 2,5 | 12,5 |
| Fluxys | Belgium | N/A | 2,7 | 12,03 |
| Average | | 12,7 | 2,37 | 11,34 |
| Transgaz | Romania | 8,55 | 1,1 | 11,72 |
| Premium/Discount | Spain | 33% | 54% | 3% |

Sursa: Bloomberg, 18.07.2019





Thank you for your kind attention!